

SENATE AMENDMENTS

2nd Printing

By: Perez, Cain, Oliverson,
A. Johnson of Harris

H.B. No. 1706

A BILL TO BE ENTITLED

AN ACT

relating to the right of an insured to enter into a contract with a
public insurance adjuster.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 4102, Insurance Code, is
amended by adding Section 4102.007 to read as follows:

Sec. 4102.007. RIGHT TO CONTRACT WITH LICENSE HOLDER. (a)
Notwithstanding Sections 4001.002 and 4102.002, this section
applies to a commercial or residential property insurance policy
issued by an insurer, including:

(1) a capital stock insurance company;
(2) a mutual insurance company;
(3) a county mutual insurance company;
(4) a Lloyd's plan;
(5) a reciprocal or interinsurance exchange;
(6) a farm mutual insurance company; and
(7) an eligible surplus lines insurer if this state is
the insured's home state as defined by Section 981.002.

(b) An insured has the right to enter into a contract with a
license holder to help the insured meet the insured's obligations
under the insured's insurance policy. An insurance policy issued
in this state may not impede or prohibit this right.

(c) An insured is not required to enter into a contract
described by Subsection (b).

1 SECTION 2. Section 4102.007, Insurance Code, as added by
2 this Act, applies only to an insurance policy delivered, issued for
3 delivery, or renewed on or after January 1, 2024.

4 SECTION 3. This Act takes effect September 1, 2023.

By: C. Schmidt
Substitute the following for H.B. No. 1706
By: C. Schmidt H.B. No. 1706
C.S. H.B. No. 1706

ADOPTED
MAY 10 2023
Secretary of the Senate

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(6) a farm mutual insurance company; and
(7) an eligible surplus lines insurer if this state is
the insured's home state as defined by Section 981.002.

(b) An insurance policy, including any endorsement, to
which this section applies may not include a provision that
prohibits an insured from contracting with a public insurance
adjuster for services provided under this chapter.

(c) An insured is not required to enter into a contract
described by Subsection (b).

1 SECTION 2. Section 4102.007, Insurance Code, as added by
2 this Act, applies only to an insurance policy delivered, issued for
3 delivery, or renewed on or after January 1, 2024.
4 SECTION 3. This Act takes effect September 1, 2023.

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 10, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1706 by Perez (Relating to the right of an insured to enter into a contract with a public insurance adjuster.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

Based on the analysis of the Department of Insurance, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JMc, SD, SZ, LBI, AAL, GDZ

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 5, 2023

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1706 by Perez (relating to the right of an insured to enter into a contract with a public insurance adjuster.), **Committee Report 2nd House, Substituted**

No significant fiscal implication to the State is anticipated.

Based on the analysis of the Department of Insurance, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

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Source Agencies: 454 Department of Insurance

LBB Staff: JMc, SZ, LBI, AAL, GDZ

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

April 28, 2023

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1706 by Perez (Relating to the right of an insured to enter into a contract with a public insurance adjuster.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

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Local Government Impact

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Source Agencies: 454 Department of Insurance

LBB Staff: JMc, SZ, AAL, LBl, GDZ

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 23, 2023

TO: Honorable Tom Oliverson, Chair, House Committee on Insurance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1706 by Perez (relating to the right of an insured to enter into a contract with a public insurance adjuster.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

Based on the analysis of the Department of Insurance, duties and responsibilities associated with implementing the provisions of the bill could be accomplished by utilizing existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 454 Department of Insurance

LBB Staff: JMc, AAL, LBl, GDZ

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 9, 2023

TO: Honorable Tom Oliverson, Chair, House Committee on Insurance

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB1706 by Perez (Relating to the right of an insured to enter into a contract with a public insurance adjuster.), **As Introduced**

<p>No significant fiscal implication to the State is anticipated.</p>
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LBB Staff: JMc, AAL, GDZ, LBI